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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In Re:

Chapter 11

2U INC., et al.,

Case No. 24-11279 (MEW)

Debtors.

(Jointly Administered)

-----X

**RFR/K PROSPECT OWNER LLC's LIMITED OBJECTION TO THE REORGANIZED
DEBTORS' MOTION FOR ENTRY OF AN ORDER (A) CONSOLIDATING THE
ADMINISTRATION OF ALL OUTSTANDING CLAIMS AND MISCELLANEOUS
MATTERS UNDER 2U, INC.; (B) ENTERING A FINAL DECREE CLOSING CERTAIN
CHAPTER 11 CASES; (C) AMENDING THE CAPTION OF THE
LEAD CASE; AND (D) GRANTING RELATED RELIEF**

RFR/K 55 Prospect Owner LLC (the "RFR/K 55"), by its undersigned counsel, submits this objection to the *Reorganized Debtors' Motion for Entry of an Order (A) Consolidating the Administration of All Outstanding Claims and Miscellaneous Matters Under 2U, Inc.; (B) Entering a Final Decree Closing Certain Chapter 11 Cases; (C) Amending the Caption of the Lead Case; and (D) Granting Related Relief* [Dkt. No. 266] (the "Motion") filed by 2U, Inc. and its affiliated debtors (each a "Debtor" and collectively the "Debtors") in the above-captioned

chapter 11 cases (the “Chapter 11 Cases”) filed in the Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) deadlines by which claims any objections must be filed and heard. In support of the Motion, RFR/K 55 respectfully states as follows:

PRELIMINARY STATEMENT

1. RFR/K 55 is owed no less than \$5,483,640.00 on account of its timely filed proofs of claims seeking payment of damages arising from the 2U NYC, LLC’s rejection of a certain lease and 2U Inc.’s guaranty of 2U NYC, LL’s obligation under the lease. Although the Debtors’ confirmed plan of reorganization requires payment in full of any claims for lease rejection damages on or after the effective date of the plan, the Debtors have not paid RFR/K 55’s claim more than three months after the effective date of the plan. There is no legitimate basis for the Debtors to object to RFR/K 55’s claims, which have been appropriately capped in accordance with the provisions of 11 U.S.C. § 502(b)(6), and no objection has been filed.

2. 2U NYC, LLC’s estate is not fully administered and the request to consolidate should be denied on that ground. In the event that the Consolidation Motion is granted, any order granting the Consolidation Motion should clarify that the Chapter 11 Cases are not being substantively consolidated and RFR/K 55 retains individual, independent claims against 2U, Inc. and 2U NYC, LLC, as well as establish a short deadline for the Debtors to object to claims

BACKGROUND

A. The Chapter 11 Cases

3. On July 25, 2024 (the “Petition Date”), the above-captioned Debtors filed voluntary petitions for bankruptcy relief under chapter 11 of the Bankruptcy Code.

4. The Debtors pursued a plan of reorganization (the “Plan”) pursuant to a Restructuring Support Agreement (the “RSA”). This Court entered an order confirming the Plan on September 9, 2024 [Dkt No. 176].

5. On September 13, 2024, the Plan went effective [Dkt No. 178] (the “Plan Effective Date”).

B. The Lease and Resulting Claim Against 2U NYC, LLC

6. Prior to the Petition Date, RFR/K 55 entered into that certain Lease dated February 13, 2017 (the “Lease”), between 55 Prospect Owner LLC (RFR/K 55’s predecessor in interest), as Lessor, and 2U NYC, LLC, as Lessee, with respect to the premises located at 55 Prospect Street, Brooklyn, New York.

7. The Lease was rejected by order of the Court on September 5, 2024, effective as of the Petition Date.

8. The term of the Lease was for 11 years, commencing on October 1, 2019 and expiring on May 31, 2030. Rent and additional due pursuant to the Lease from the Petition Date through the Expiration Date totals \$32,030,544.94.

9. As a result of the foregoing, RFR/K 55 timely filed a proof of claim asserting a claim [Proof of Claim No. 10046] (the “2U NYC, LLC Claim”) in the amount of not less than \$5,868,747.39 (the “2U NYC LLC Claim Amount”), comprised of the following:

a. Pursuant to 11 U.S.C. § 502(b)(6)(B), damages in the amount of \$5,868,747.39 comprised of the following:

i. One year’s minimum rent and additional rent in the sum of \$5,483,640.00.

- ii. Pre-Petition unpaid rent and additional rent in the sum of
\$385,107.39

A Security Deposit in the form of a Letter of Credit in the amount of \$2,504,250.00 will be applied in partial reduction of the 2U NYC, LLC claim.

C. The Guaranty and Resulting Claim Against 2U Inc.

10. Prior to the Petition Date, 2U, Inc. executed that certain Guaranty dated February 13, 2017 (the “Guaranty”), in favor of 55 Prospect Owner LLC (RFR/K 55’s predecessor in interest), which guarantees the obligations of 2U NYC, LLC under the Lease.

11. The Lease was rejected by order of the Court on September 5, 2024, effective as of the Petition Date.

12. The term of the Lease was for 11 years, commencing on October 1, 2019 and expiring on May 31, 2030. Rent and additional rent due pursuant to the Lease from the Petition Date through the Expiration Date totals \$32,030,544.94.

13. As a result of the foregoing, RFR/K 55 timely filed a proof of claim against 2U Inc. asserting a claim [Proof of Claim No. 10047] (the “2U Inc. Claim”) in the amount of not less than \$5,483,640.00 (the “2U Inc. Claim Amount”, and together with the 2U NYC, LLC Claim, the “Lease Rejection Claims”), comprised of the following:

- a. Pursuant to 11 U.S.C. § 502(b)(6)(B), damages in the amount of \$5,483,640.00 comprised of the following:

- i. One year’s minimum rent and additional rent in the amount of
\$5,483,640.00.

14. On December 11, 2025, RFR/K 55 filed a Motion to Compel Payment of its Lease Rejection Claims Against Debtors 2U Inc. and 2U NYC, LLC (the “Motion to Compel Payments”).

ARGUMENT

15. RFR/K 55 hereby adopts and incorporates by reference as if fully set forth herein the legal arguments set forth in the *Limited Objection of KCP Harkins Fee Owner, LLC to the Reorganized Debtors’ Motion for Entry of an Order (A) Consolidating the Administration of All Outstanding Claims and Miscellaneous Matters Under 2U, Inc.; (B) Entering a Final Decree Closing Certain Chapter 11 Cases; (C) Amending the Caption of the Lead Case; and (D) Granting Related Relief* [Dkt. No. 272].

CONCLUSION

WHEREFORE, RFR/K 55 respectfully requests that this Court enter an order denying the Motion with respect to 2U NYC, LLC. Alternatively, RFR/K 55 respectfully requests that the Court enter an order (i) clarifying that the Chapter 11 case of 2U NYC, LLC is truly being administratively consolidated and not be substantively consolidated with the Chapter 11 case of 2U Inc. Case, (ii) reserving RFR/K 55’s rights to separately collect on each of the , Inc. Claim and the 2U NYC, LLC Claim, and (iii) setting an objection deadline, or preserving any deadlines set pursuant to adjudication of RFR/K 55’s Motion to Compel Payments.

Dated: New York, New York
December 13, 2024

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